

March 15, 2023

Cheryl Laskowski
Branch Chief
California Air Resources Board
1001 I Street
Sacramento, California 95814

Submitted electronically to: LCFSWorkshop@arb.ca.gov

RE: Canola Council of Canada's Comments February 22, 2023 LCFS Workshop

Dear Dr. Laskowski,

The Canola Council of Canada (CCC) appreciates the opportunity to submit comments to the California Air Resources Board (CARB) in response to the Low Carbon Fuel Standard (LCFS) workshop held on February 22, 2022. We thank CARB staff for holding this workshop and initiating the pre-rulemaking activity for potential amendments to the LCFS regulation.

The CCC is a non-profit industry association representing all sectors of the Canadian canola industry, including seed developers, farmers, exporters, and processors. The CCC's mission is to advance the growth and profitability of the canola industry based on innovation, sustainability, resilience, and the creation of superior value to customers throughout the world.

California is among canola's largest and most important customers, with consumption of canola oil and meal valued at \$800 million in 2020. Canola oil is one of the most versatile crop-based oils on the market today. It has long been regarded as one of the healthiest cooking oils available and is increasingly recognized as a low-carbon feedstock for renewable fuel production. Canola meal is also contributing to GHG emission reductions through its inclusion in dairy feed rations. Recent research shows that feeding dairy cows canola meal reduces enteric methane emissions while at the same time improving milk productivity¹.

Given canola's economic and environmental contribution in California, we are pleased to provide the following feedback on the Public Workshop held on February 22, 2023.

¹ <https://www.canolacouncil.org/news/new-research-demonstrates-increased-milk-production-and-reduced-greenhouse-gas-emissions-when-dairy-cows-are-fed-canola-meal/>

1. Options for Carbon Intensity Targets

At the Workshop CARB staff expressed a desire to explore increased ambition in program CI targets on a path toward carbon neutrality. The CCC supports a more stringent CI target and recommends CARB analyze scenarios where the 2030 CI reduction target is beyond 30 %.

The pace of zero and low-carbon fuel availability and use in California has exceeded expectations. This success should be applauded, and it makes it possible for CARB to increase the stringency of the program prior to 2030. Further, if the goal is a full transition to a zero-emission transportation sector in California by no later than 2045,² it is also essential to set an increasingly stringent standard for the LCFS beyond 2030. CCC supports continued analysis of this target setting in the LCFS rulemaking, to maximize the availability and affordability of zero- and low-carbon fuels in both the short- and long-term.

2. Target Acceleration Mechanism

We appreciate CARB's recognition that the LCFS program needs to ensure a steady price signal for credits in the market to support ongoing investment. A near-term target step down in compliance target stringency and a compliance target acceleration mechanism to increase the stringency of compliance targets in response to predetermined market indicators would complement the updated overall stringency of the program. Importantly, the target acceleration mechanism tools would provide flexibility to adjust the credit signal as needed without the need for regulatory changes.

The CCC recommends CARB work closely with LCFS stakeholders to carefully develop the details of such as mechanism.

3. Crop-based Biofuel Concerns

We continue to question CARB's unsubstantiated concerns that crop-based biofuels used in the LCFS could come at the expense of deforestation or food production. The CCC previously provided evidence to CARB (July 7 and December 21, 2022 respectively) demonstrating that canola production in Canada does not come at the expense of forested lands and that productivity continues to grow, satisfying global demand for food, feed and fuel. We have included this information again in the attached Appendix.

Furthermore, we are concerned in the manner this topic is being introduced and debated in the consultation process. CARB has not provided any scientific justification on the possible restriction or limitation of crop-based biofuels nor held any specific workshops/consultations with stakeholders on the subject. This compromises CARB's hard-earned reputation as a fact-driven climate leader and, more importantly, risk achievement of California's greenhouse gas reduction goals.

We urge CARB not to include restrictions on crop-based biofuels as part of the scope of rulemaking.

² In line with broader carbon neutrality across all sectors in a similar timeframe.

4. Provide a Venue for Discussion of Sustainable Agriculture Practices for Biofuel Crops

We continue to support CARB holding a workshop specific to the topic of sustainable agriculture practices that have greenhouse gas benefits. The UC Davis study we submitted with our August 8th letter demonstrated that soil organic carbon (SOC) levels in natural lands across California are relatively low, meaning there is a lot of potential to sequester more C in the soils. Canola farms have extensive experience with the practices that can improve SOC levels and soil health and such benefits should be recognized in the LCFS's treatment of canola. If properly incentivized greater adoption of on-farm conservation practices like minimal till, cover cropping and crop rotations can be achieved. Policy incentives like recognition of SOC in the LCFS can speed up the adoption of these practices both in California and in other jurisdictions.

We thank you again for the opportunity to provide comments on this workshop and look forward to continued engagement with CARB as potential changes to the LCFS are considered.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Everson', with a long horizontal flourish extending to the right.

Jim Everson
President

Appendix

Crop based biofuels have a critical role to play as the transportation industry continues its transition towards a zero-carbon future. Crop feedstocks like canola deliver tangible emission reductions, are sustainably grown, renewable and have a proven track record of increasing supplies to accommodate demand. Biofuels derived from crops are ready to use right now and at scale, which is important as other technologies to decarbonize transportation fuels (esp diesel and aviation fuels) will require time to develop. Restricting or limiting the utilization of crop-based biofuels in the LCFS program would risk further uptake of low carbon fuels and compromise California's goal towards net zero.

Canola-based biofuels have among the lowest carbon intensities in the world, reducing lifecycle GHG emissions by up to 90% compared to fossil diesel³. It offers tangible emissions reductions because Canadian growers have a strong track record of low carbon production practices. For example:

- Farmers have been strong adopters of conservation tillage, preserving topsoil and organic matter, along with the carbon and nutrients stored within it.
- Less tilling means reduced fuel use and GHG emissions as farmers make fewer passes over the field.
- The adoption of precision ag technologies and nutrient stewardship practices that support emission reductions are helping growers further optimize crop input use and reduce nitrous oxide emissions.

Canola and other crops grown in Canada are sustainably grown, increasing output even as arable land continues to shrink due to population growth and expansion of urban centers. Figure 1 below shows that over the last two decades, arable acres suitable for crop production in Canada has decreased by 8.3 million acres (-7%), while over the same time period, total crop output has increased by 50 million tonnes (+ 82%).

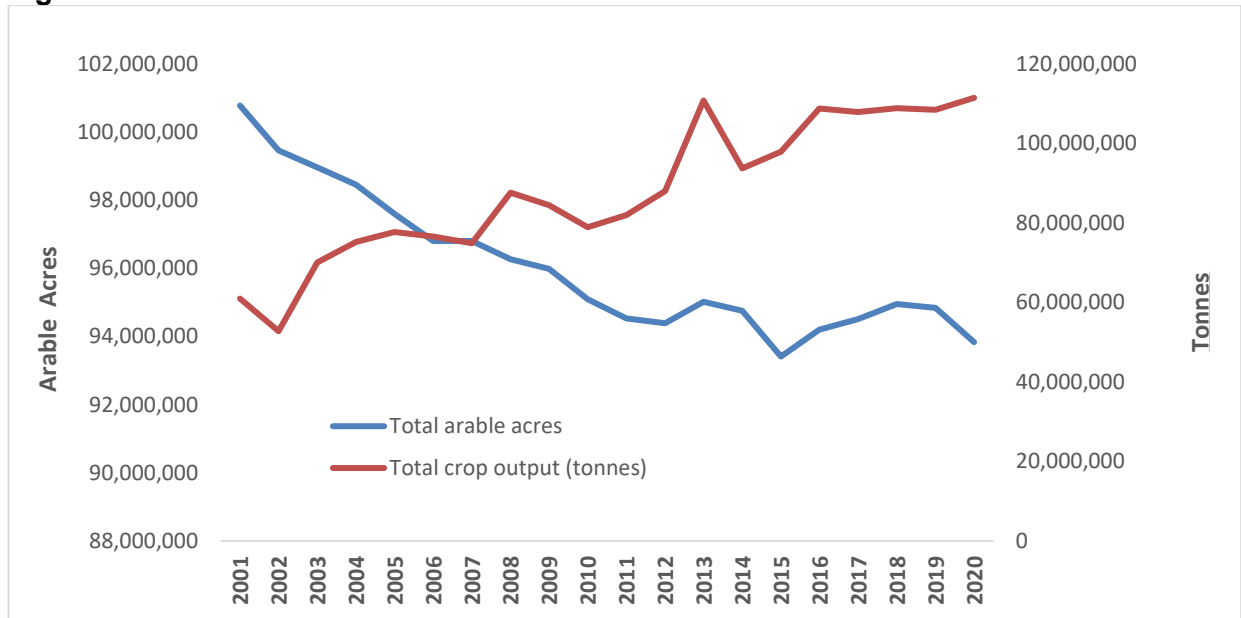
Canola is among the major contributors to Canada's growing crop supplies. Figure 2 shows that canola production has witnessed a 4-fold increase over the past two decades. While canola acres have expanded, this has largely displaced summerfallow, cropland that is purposefully kept out of production during the growing season. Conversion of summerfallow to cropland has helped support the aforementioned low carbon farm practices associated with canola production such as conservation tillage.

Growing supplies of canola are also attributed to steady increases in productivity. Figure 3 shows that canola yields have nearly doubled since 2001, underscoring the ability to support future increases in output on the same amount of land.

In addition to growing more canola seed, processing capacity to convert the seed into canola oil and meal continues to increase substantially. Figure 4 illustrates the growth in processing volumes, including the expected increase over the next 3-4 years to keep up with growing demands for food, fuel and feed applications.

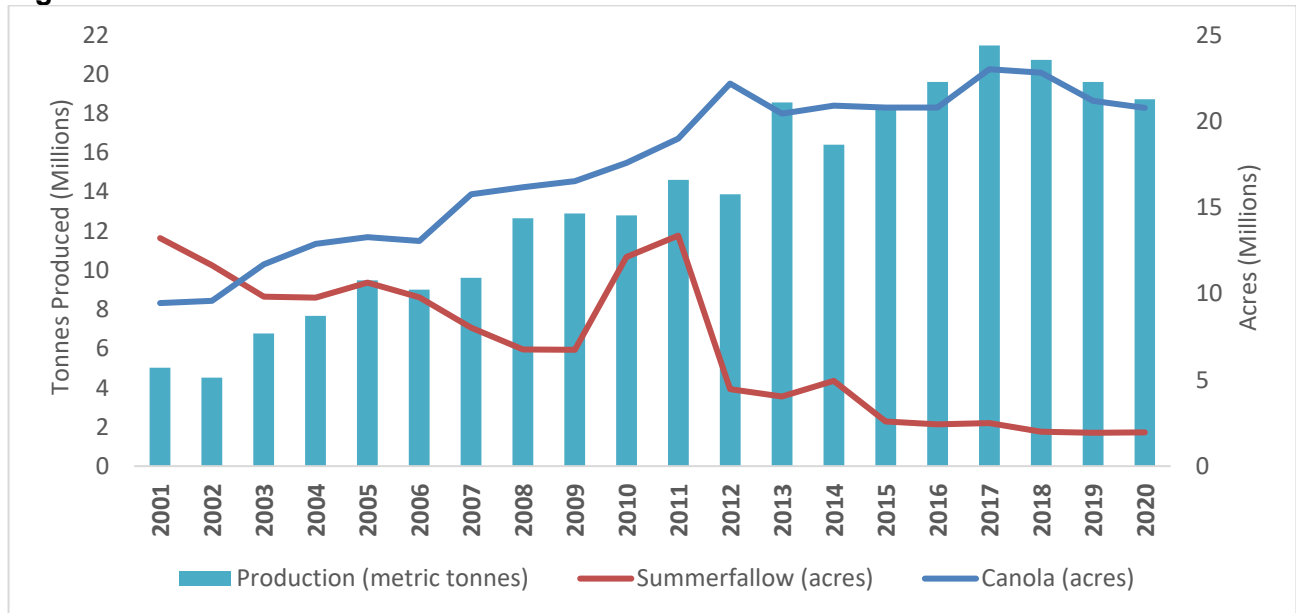
³ [O'Connor, D. 2011. Lifecycle Analysis Canola Biodiesel, \(S&T\)2 Consultants Inc.](#)

Figure 1



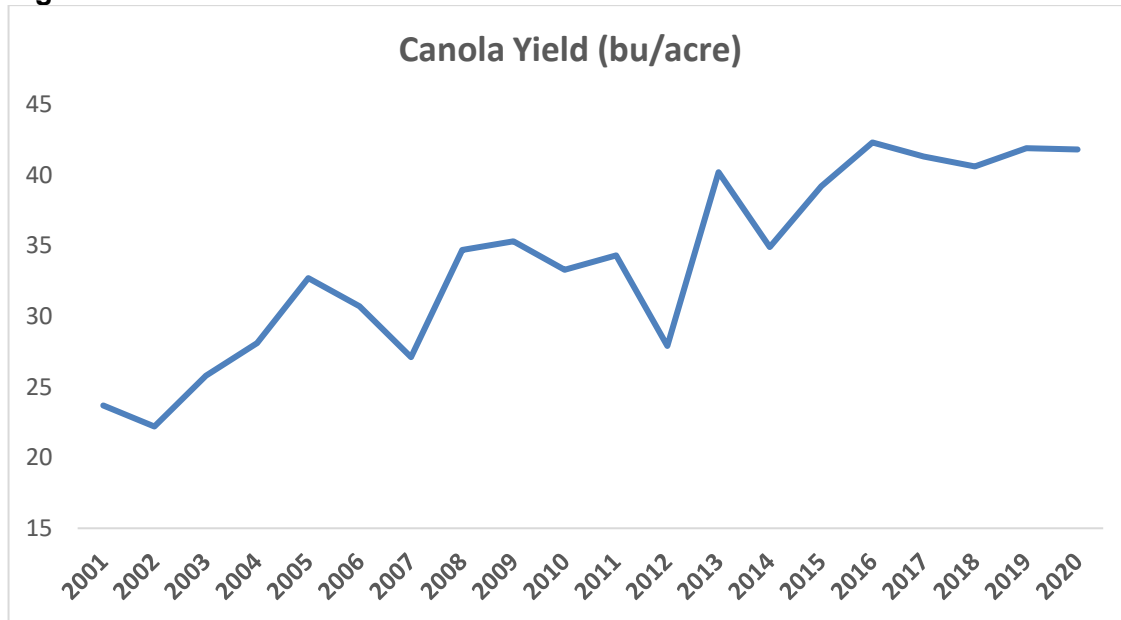
Source: Statistics Canada. Table 32-10-0359-01 Estimated areas, yield, production, average farm price and total farm value of principal field crops, in metric and imperial units

Figure 2



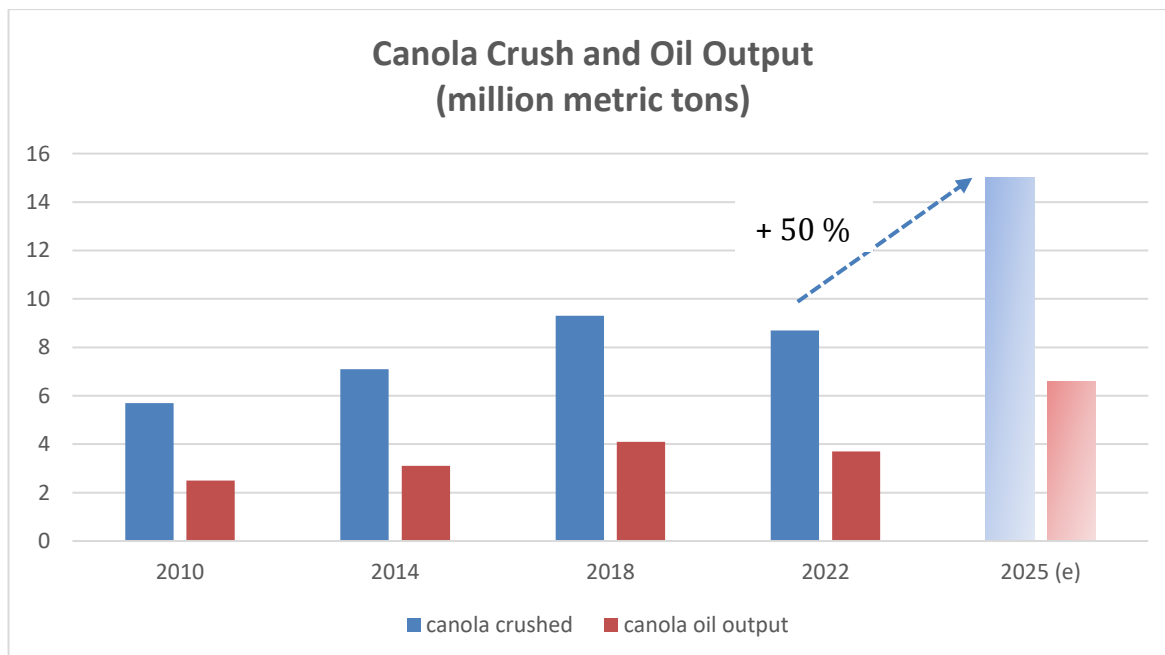
Source: Statistics Canada. Table 32-10-0359-01 Estimated areas, yield, production, average farm price and total farm value of principal field crops, in metric and imperial units

Figure 3



Source: Statistics Canada. Table 32-10-0359-01 Estimated areas, yield, production, average farm price and total farm value of principal field crops, in metric and imperial units

Figure 4



Source: Statistics Canada and internal estimates